



# Department of Ecology

## 2005-07 Operating Budget

Governor Gregoire's proposal for Ecology's 2005-07 operating budget is premised on a sustained commitment to the state's identified environmental priorities, while also meeting emerging needs. Emerging needs include responding to the statewide drought, implementing recommendations of the Early Action Oil Spill Task Force, and implementing the voters' initiative for accelerated cleanup of nuclear wastes at Hanford.

For the 05-07 biennium, **\$27.3 million is proposed in additional funding** to support:

- Providing water for local communities and healthy watersheds
- Focusing our resources on preventing waste and spills
- Reducing health risk by getting toxic chemicals out of the environment

To assist with the General Fund shortfall, **\$4.5 million of program reductions** are proposed in two areas:

- Local flood control efforts are cut by \$2 million, a 50% reduction
- Middle management positions are cut by 21% saving \$2.5 million

Further, a variety of funds dedicated to environmental purposes are tapped to **transfer or save a total of \$54.4 million for the General Fund**. Specifically, \$26.3 million for water quality projects is shifted from the General Fund to bond support in the Capital Budget, and \$28.1 million is shifted from other accounts to the General Fund. These are identified in detail on page 4.

The Gregoire proposal also increases water right permit fees providing \$.5 million in additional revenue to the general fund.

### Providing Water for Local Communities and Healthy Watersheds

Public demands for clean water, flowing streams, and reliable water supplies have never been greater. These demands are underscored by the lessons of the 2001 drought; the large-scale water quality problems in Hood Canal, Puget Sound, and the Columbia and Spokane Rivers; the widespread need for reliable water supplies to meet the needs of local communities struggling to respond to a growing population; and the number of streams that do not have adequate flows in the stream for fish. Ecology has supported watershed planning for six years, several plans have been approved, and many are scheduled for completion in the next few years. Ecology has been and will remain organized to deliver its water program services at the watershed scale, consistent with recommendations coming out of local plans.

### Ensuring Adequate Water Supply

**Responding to the Statewide Drought Emergency** ~ *\$1.8 million from the State Emergency Water Projects Revolving Account and 6.5 FTEs* ~ On March 10, 2005, Governor Gregoire declared a statewide drought emergency due to record low snow pack, record high temperatures and, record low stream flows throughout the state. Operating funds will be used by Ecology to provide technical assistance to entities having problems with water supplies and to process emergency water rights. This includes changes and transfers of water rights and drilling emergency wells.

**Columbia River Initiative** ~ *\$1 million from the State General Fund and 3 FTEs* ~ This initiative is the first step in a new program to secure water to promote economic growth and community development goals, while also improving the river ecosystem now and in the future. Initial actions to develop new multipurpose water

storage projects are launched, and water is acquired through conservation projects, modified system operations, and outright purchase from willing sellers. The state investment will allow initial implementation of recent and planned intergovernmental water agreements which, combined with the eventual adoption of a new water resources management program, will make water available for future needs along the river. Based upon a University of Washington economic study, the increased water use made possible by this program could generate annual benefits of \$420 million and up to 9,000 new jobs to the Eastern Washington economy.

**Statewide Streamflow Gauging** ~ \$1.46 million from the Water Quality Account and 2 FTEs, offset by a decrease of \$720,00 from the Drought Preparedness Account ~ This money will be used to provide critical data in the agency's work to achieve, restore, and protect water supplies for people, fish, and farms, and support local watershed planning efforts. A combination of one-time fund sources that primarily fund Ecology's stream gauging network (over 90 continuous, near-real-time streamflow gauges and over 30 manual staff gauges in 11 salmon critical watersheds) are expiring. The \$1.46 million from the Water Quality Account will replace the expiring fund sources to continue the generation of streamflow data that support a full range of water management activities necessary for local and regional decision making.

**Enhance Well Construction Program** ~ \$661,000 from the Reclamation Account and 2 FTEs, offset by a decrease of \$300,00 from the State General Fund ~ While Ecology pursues statutory and rule changes (HB 1939 and SB 5831) necessary to increase fees and ensure that wells are properly drilled, additional revenue and appropriation authority is necessary to increase revenue transfers to local governments that perform well construction inspections; delegate inspections to additional counties; increase inspection rates on new wells; and improve and maintain well construction data systems.

### **Maintaining Water Quality**

**Municipal Stormwater Permits** ~ \$1.46 million from the Water Quality Permit Fee Account and 7.5 FTEs ~ Ecology is getting ready to implement Phase II regulations of the federal Clean Water Act, which require the agency to issue stormwater permits to over 100 municipalities. Ecology will use the appropriation from the Water Quality Permit Fee Account to hire staff and support these smaller jurisdictions with implementing the permit requirements through technical assistance, education and outreach, and compliance oversight. New revenue from permit fees will fully cover this appropriation.

**Water Quality Certifications** ~ \$609,000 from the State General Fund and 3 FTEs ~ In one of four regional offices, Ecology initiated a "90-90-10" pilot for improving permit processing accountability and timelines for 401 water quality certifications. This money will be used to expand the pilot statewide, resulting in 90% of routine certifications occurring within 90 days of application, and acknowledgement of receipt of the application being sent within 10 days.

**Roadless Areas Environmental Review** ~ \$400,000 from the State General Fund and 1 FTE ~ Ecology will complete the environmental reviews necessary to petition the federal government to maintain the roadless areas designation in Washington State for more than two million acres in nine National Forests. This will include close coordination with the Departments of Fish and Wildlife and Natural Resources.

### **Preventing Wastes and Spills**

Even though Washington State is a national leader in recycling and waste management, waste generation in Washington is on the rise. More waste means higher costs – higher costs to protect human health and the environment, higher costs to state and local budgets, and even higher costs to business' bottom line. Until now, Washington waste management programs have focused on regulating the waste stream and cleaning up waste sites. A plan developed in collaboration between local governments and other stakeholders has combined the state's hazardous waste and solid waste plans into a single plan. This "Beyond Waste" plan will reduce the generation of waste by steering Washington toward greater prevention of waste and pollution. The budget proposes to increase funding in support of these efforts to prevent wastes from being created in the first place.

**Beyond Waste-Implementing the State Waste Prevention Plan** ~ \$3.35 million from the Waste Reduction/Recycling/Litter Control Account, State Toxics Control Account, and the Hazardous Waste Assistance Account and 11 FTEs ~ The “Beyond Waste” plan will focus on reducing the amount of toxic chemicals generated and used; utilizing more efficient and effective building materials; improving management of organic and construction wastes; and partnering with businesses and industries to both lower operating costs for business and reduce the use, generation and disposal of toxics materials.

**Oil Spill Early Action & Prevention** ~ \$2 million from the Oil Spill Prevention Account and 6 FTEs ~ In response to the October 14, 2004 Dalco Passage Puget Sound oil spill, Governor Locke created the Oil Spill Early Action Task Force to explore possible improvements to prepare for and respond to oil spills. This money will be used to implement recommendations from the Early Action Task Force and the Governor’s Citizen Volunteer Program. Recommendations include updating Geographic Response Plans within three years; expanded use of remote sensing data and equipment; improving spill reporting mechanisms; and providing more opportunities for public participation in spill reporting, preparedness and response.

### **Reducing Health Risk by Getting Toxic Chemicals Out of the Environment**

Additional investments are possible in the 2005-07 biennium because of higher oil prices. Higher oil prices mean additional revenues into the Model Toxics Control Accounts that can be spent on ongoing and one-time needs.

**Implement Initiative 297, Cleanup Priority Act** ~ 4.88 million from the State Toxics Control Account and 7.5 FTEs ~ The Cleanup Priority Act, as passed by voters in 2004, affects agency efforts concerning waste disposal and cleanup at the Hanford Nuclear Reservation. It requires Ecology to order cessation of radioactive waste disposal in unlined trenches, implement additional permitting requirements, establish enhanced public participation and a public participation grant program, and adopt additional cleanup standards for radioactive wastes. These new requirements will be funded by the increased hazardous waste disposal fees billed to the Department of Energy, which are deposited into the State Toxics Control Account.

**Reduce PBTs in the Environment** ~ \$1.4 million from the State Toxics Control Account (STCA) and 5 FTEs ~ Most sources of funding for implementing Ecology's strategy to reduce persistent bioaccumulative toxins (PBTs) in the environment expire at the end of the 03-05 biennium. Additional money from the STCA will allow Ecology to continue implementation of this important strategy, which includes carrying out a proposed Polybrominated Diphenyl Ethers (PBDE) chemical action plan, and monitoring for mercury in fish.

**Clean Up Toxic Sites** ~ \$9 million from the State Toxics Control Account ~ With oil prices at record highs, \$9 million from the STCA will allow Ecology to clean up more recalcitrant or orphan contaminated sites, while maintaining core activities funded out of this account.

**Enhance Voluntary Cleanups** ~ \$270,000 from the State Toxics Control Account and 3 FTEs ~ By sheer number, most cleanups of toxic waste sites are accomplished through the Voluntary Cleanup program. Approximately 40% of Ecology's costs associated with voluntary cleanup of toxic waste sites are paid for by the entity initiating the cleanup, so by reprioritizing existing cleanup dollars, the agency will generate additional revenue that will be used to meet the increasing demand for this important cleanup work.

### **Program Reductions**

**Reduce Local Flood Control Efforts** ~ \$2 million reduction to Flood Control Assistance Account ~ Under current law, \$4 million dollars is transferred each biennium from the State General Fund to the Flood Control Assistance Account. The Gregoire budget proposes to transfer \$2 million back to the General Fund, thereby cutting the Flood Control Assistance Account program by 50%.

**Middle Management Cut** ~ \$2.47 million total reduction and 22.5 FTEs ~ Of the proposed statewide reduction in Washington Management Service employment, Ecology will be reducing 11 FTEs in FY 2006 and 34 FTEs in FY 2007 (a total reduction of 45.5 FTEs by June 2007).

## **Treasurer's Transfers and Fund Shifts**

### **Treasurer's Transfers**

**Transfers to the State General Fund** ~Dedicated fund transfers total \$28.1: \$14.2 million from the State Toxics Control Account (Operating funds), \$9.9 million from the Local Toxics Control Account (Capital Budget funds), \$2 million from the Waste Reduction/Recycling/Litter Control Account, and \$2 million from the Flood Control Assistance Account ~ To assist in addressing the projected \$1.6 billion shortfall in the State General Fund.

**Reduced State General Fund Transfer to the Water Quality Account** ~ Reduced by \$26.3 million to \$13.1 million ~ Under State Law, State General Fund transfers to the Water Quality Account are required to ensure a minimum of \$90 million per biennium is available for water quality purposes. For the 2005-07 biennium, this requirement is suspended, reducing the transfer by \$26.3 million to \$13.1 million. The reduced transfer, along with existing Water Quality Account revenue and state bonds provided in the Capital Budget, are intended to meet this commitment to water quality programs, rather than the General Fund.

**Methamphetamine Lab Cleanup Transfer** ~ \$4.06 million transfer from the Local Toxics Control Account (LTCA) to the State Toxics Control Account (STCA) ~ For the past two biennia, methamphetamine cleanup has been funded by a fund transfer from the LTCA to the STCA.

**Water Quality Account Transfer to the Water Pollution Control Revolving Account** ~ \$10.5 million ~ In order to meet the projected state match requirements for federal capitalization grants provided for water quality projects. These projects are appropriated in the Capital Budget.

### **Fund Shifts**

**Fund Shift to Sustain Activities for Water Acquisition and Conservation** ~ Shift from depleted dedicated funds to \$949,000 from the Water Quality Account ~ The increased Water Quality Account appropriation is requested to support local watershed planning efforts and to set, achieve, and restore stream flows through water acquisition and conservation, while assuring adequate water supplies for people and farms. It replaces approximately the same amount as the 03-05 appropriations, which were from the State Drought Preparedness Account and the State/Local Revolving Account (Referendum 38), and were one-time fund sources that cannot sustain this important work in the 2005-07 biennium.

**Community Right to Know Fund Shift** ~ \$1.43 million from the Worker/Community Right to Know Account (WCRTKA) to the State Toxics Control Account (STCA) ~ Ecology will shift the funding of \$1.43 million in WCRTKA activities - hazardous waste community education, information and data management - from the WCRTKA to the STCA, ensuring these activities continue, and providing for sustainable appropriations from the WCRTKA in the future.

**Continue Marine Sediment Monitoring** ~ Shift from declining federal funds to \$397,000 from the State Toxics Control Account ~ Federal funding sources to maintain a network for monitoring marine sediments will be eliminated at the end of the 03-05 biennium. This data informs a wide range of environmental, public health, and local land-use decisions. Replacement funding from the State Toxics Control Account will allow Ecology to continue this effort.